

**STATE RISK MANAGEMENT FUND**  
**INVESTMENT PERFORMANCE REPORT AS OF MAY 31, 2005**

	May-05				April-05				March-05				December-04				September-04				Current FYTD	Prior Year FY04	3 Years Ended 6/30/2004	5 Years Ended 6/30/2004
	Allocation		Month		Allocation		Month		Allocation		Quarter		Allocation		Quarter		Allocation		Quarter					
	Market Value	Actual	Policy	Net ROR	Market Value	Actual	Policy	Net ROR	Market Value	Actual	Policy	Net ROR	Market Value	Actual	Policy	Net ROR	Market Value	Actual	Policy	Net ROR	Net	Net	Net	Net
<b>LARGE CAP DOMESTIC EQUITY</b>																								
<i>Structured Growth</i>																								
Los Angeles Capital	63,153	2.7%	2.7%	4.16%	60,656	2.7%	2.7%	-2.22%	59,949	2.6%	2.7%	-1.11%	62,312	2.7%	2.7%	10.37%	58,442	2.6%	2.7%	-4.14%	6.56%	N/A	N/A	N/A
<b>Total Structured Growth</b>	<b>63,153</b>	<b>2.7%</b>	<b>2.7%</b>	<b>4.16%</b>	<b>60,656</b>	<b>2.7%</b>	<b>2.7%</b>	<b>-2.22%</b>	<b>59,949</b>	<b>2.6%</b>	<b>2.7%</b>	<b>-1.11%</b>	<b>62,312</b>	<b>2.7%</b>	<b>2.7%</b>	<b>10.37%</b>	<b>58,442</b>	<b>2.6%</b>	<b>2.7%</b>	<b>-4.14%</b>	<b>6.56%</b>	<b>17.58%</b>	<b>-6.28%</b>	<b>-7.85%</b>
Russell 1000 Growth				4.84%				-1.90%				-4.09%				9.17%				-5.23%	2.06%	17.88%	-3.74%	-6.48%
<i>Structured Value</i>																								
LSV	63,082	2.7%	2.7%	3.83%	60,806	2.7%	2.7%	-2.49%	66,324	2.9%	2.7%	1.62%	67,101	2.9%	2.7%	9.01%	63,732	2.9%	2.7%	3.21%	15.77%	30.56%	9.33%	8.36%
Russell 1000 Value				2.41%				-1.79%				0.09%				10.38%				1.54%	12.82%	21.13%	2.96%	1.87%
<i>Russell 1000 Enhanced Index</i>																								
LA Capital	123,355	5.3%	5.4%	2.86%	119,984	5.3%	5.4%	-2.50%	126,534	5.5%	5.4%	-1.04%	131,436	5.6%	5.4%	9.28%	124,498	5.6%	5.4%	-1.68%	6.63%	N/A	N/A	N/A
Russell 1000				3.54%				-1.84%				-1.91%				9.80%				-1.81%	7.49%	N/A	N/A	N/A
<i>S&amp;P 500 Enhanced Index</i>																								
Westridge	127,444	5.5%	5.4%	3.21%	123,548	5.4%	5.4%	-1.87%	121,664	5.3%	5.4%	-2.08%	127,718	5.5%	5.4%	9.47%	120,973	5.4%	5.4%	-1.99%	6.39%	N/A	N/A	N/A
S&P 500				3.18%				-1.90%				-2.15%				9.23%				-1.87%	6.17%	N/A	N/A	N/A
<i>Index</i>																								
State Street	38,301			3.19%	37,119			-1.89%	36,570			-2.14%	38,419			9.23%	36,412			-1.88%	6.17%	19.01%	-0.75%	-2.28%
<b>Total Index</b>	<b>38,301</b>	<b>1.6%</b>	<b>1.8%</b>	<b>3.19%</b>	<b>37,119</b>	<b>1.6%</b>	<b>1.8%</b>	<b>-1.89%</b>	<b>36,570</b>	<b>1.6%</b>	<b>1.8%</b>	<b>-2.14%</b>	<b>38,419</b>	<b>1.6%</b>	<b>1.8%</b>	<b>9.23%</b>	<b>36,412</b>	<b>1.6%</b>	<b>1.8%</b>	<b>-1.88%</b>	<b>6.17%</b>	<b>19.01%</b>	<b>-0.75%</b>	<b>-2.28%</b>
S&P 500				3.18%				-1.90%				-2.15%				9.23%				-1.87%	6.17%	19.11%	-0.70%	-2.21%
<b>TOTAL LARGE CAP DOMESTIC EQUITY</b>	<b>415,336</b>	<b>17.9%</b>	<b>18.0%</b>	<b>3.34%</b>	<b>402,113</b>	<b>17.6%</b>	<b>18.0%</b>	<b>-2.22%</b>	<b>411,042</b>	<b>17.9%</b>	<b>18.0%</b>	<b>-1.04%</b>	<b>426,986</b>	<b>18.3%</b>	<b>18.0%</b>	<b>9.45%</b>	<b>404,057</b>	<b>18.1%</b>	<b>18.0%</b>	<b>-1.42%</b>	<b>7.90%</b>	<b>21.46%</b>	<b>0.15%</b>	<b>-1.39%</b>
S&P 500				3.18%				-1.90%				-2.15%				9.23%				-1.87%	6.17%	19.11%	-0.70%	-2.21%
<b>SMALL CAP DOMESTIC EQUITY</b>																								
<i>Manager-of-Managers</i>																								
SEI	138,939	6.0%	6.0%	6.72%	130,277	5.7%	6.0%	-5.52%	137,877	6.0%	6.0%	-5.10%	145,620	6.3%	6.0%	14.79%	139,823	6.3%	6.0%	-3.60%	5.89%	32.99%	5.51%	N/A
Russell 2000 + 200bp				6.71%				-5.56%				-4.86%				14.64%				-2.36%	7.32%	35.99%	7.90%	N/A
<b>TOTAL SMALL CAP DOMESTIC EQUITY</b>	<b>138,939</b>	<b>6.0%</b>	<b>6.0%</b>	<b>6.72%</b>	<b>130,277</b>	<b>5.7%</b>	<b>6.0%</b>	<b>-5.52%</b>	<b>137,877</b>	<b>6.0%</b>	<b>6.0%</b>	<b>-5.10%</b>	<b>145,620</b>	<b>6.3%</b>	<b>6.0%</b>	<b>14.79%</b>	<b>139,823</b>	<b>6.3%</b>	<b>6.0%</b>	<b>-3.60%</b>	<b>5.89%</b>	<b>32.99%</b>	<b>5.54%</b>	<b>7.29%</b>
Russell 2000				6.55%				-5.73%				-5.34%				14.09%				-2.86%	5.38%	33.36%	6.24%	6.63%
<b>CONVERTIBLES</b>																								
TCW	243,901	10.5%	11.0%	2.39%	238,487	10.4%	11.0%	-4.02%	248,770	10.8%	11.0%	-4.03%	259,229	11.1%	11.0%	8.41%	246,545	11.0%	11.0%	-4.35%	-2.20%	17.50%	1.03%	3.90%
Merrill Lynch All Convertibles				2.57%				-3.30%				-4.67%				5.37%				-1.05%	-1.42%	14.16%	4.89%	5.75%
<b>DOMESTIC FIXED INCOME</b>																								
<i>Core Bond</i>																								
Western Asset	513,511	22.1%	20.0%	0.97%	508,966	22.3%	20.0%	1.12%	510,550	22.2%	20.0%	-0.84%	489,626	21.0%	20.0%	1.34%	472,630	21.2%	20.0%	3.52%	6.22%	2.42%	7.77%	8.10%
Lehman Aggregate				1.08%				1.35%				-0.48%				0.96%				3.20%	6.22%	0.32%	6.35%	6.95%
<i>Index</i>																								
Bank of ND	627,156	27.0%	30.0%	0.82%	621,463	27.2%	30.0%	1.16%	603,143	26.3%	30.0%	-0.78%	617,356	26.5%	30.0%	0.40%	594,776	26.6%	30.0%	2.54%	4.16%	0.07%	7.10%	7.25%
Lehman Intermediate Gov/Credit (1)				0.90%				1.14%				-0.87%				0.44%				2.71%	4.36%	-0.05%	6.97%	7.25%
<i>BBB Average Quality</i>																								
Wells Capital (formerly Strong)	270,384	11.6%	10.0%	1.65%	267,075	11.7%	10.0%	1.22%	267,762	11.7%	10.0%	-1.15%	275,394	11.8%	10.0%	2.30%	264,977	11.9%	10.0%	4.51%	8.75%	1.18%	N/A	N/A
Lehman US Credit BAA				1.67%				0.94%				-1.57%				1.69%				4.76%	7.61%	1.96%	N/A	N/A
<b>TOTAL DOMESTIC FIXED INCOME</b>	<b>1,411,050</b>	<b>60.7%</b>	<b>60.0%</b>	<b>1.03%</b>	<b>1,397,503</b>	<b>61.2%</b>	<b>60.0%</b>	<b>1.16%</b>	<b>1,381,454</b>	<b>60.2%</b>	<b>60.0%</b>	<b>-0.83%</b>	<b>1,382,376</b>	<b>59.4%</b>	<b>60.0%</b>	<b>1.11%</b>	<b>1,332,383</b>	<b>59.6%</b>	<b>60.0%</b>	<b>3.27%</b>	<b>5.78%</b>	<b>0.79%</b>	<b>7.00%</b>	<b>7.45%</b>
Lehman Gov/Credit				1.25%				1.50%				-0.67%				0.80%				3.56%	6.56%	-0.72%	6.73%	7.10%
<b>CASH EQUIVALENTS</b>																								
Bank of ND	116,125	5.0%	5.0%	0.26%	115,852	5.1%	5.0%	0.25%	115,564	5.0%	5.0%	0.69%	114,402	4.9%	5.0%	0.53%	110,901	5.0%	5.0%	0.44%	2.19%	1.20%	1.72%	3.39%
90 Day T-Bill				0.27%				0.22%				0.57%				0.48%				0.37%	1.92%	0.98%	1.71%	3.30%
<b>TOTAL RISK MANAGEMENT FUND</b>	<b>2,325,350</b>	<b>100.0%</b>	<b>100.0%</b>	<b>1.87%</b>	<b>2,284,232</b>	<b>100.0%</b>	<b>100.0%</b>	<b>-0.46%</b>	<b>2,294,709</b>	<b>100.0%</b>	<b>100.0%</b>	<b>-1.43%</b>	<b>2,328,614</b>	<b>100.0%</b>	<b>100.0%</b>	<b>3.97%</b>	<b>2,233,709</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0.94%</b>	<b>4.89%</b>	<b>8.09%</b>	<b>4.62%</b>	<b>3.34%</b>
POLICY TARGET BENCHMARK				2.01%				-0.14%				-1.59%				3.57%				1.54%	5.43%	6.46%	5.10%	3.86%

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) Prior to April 1, 2004, the benchmark was the LB Govt/Credit index.